



# Project Management Institute Sacramento Valley Chapter

FI\$Cal Project Executive

February 18, 2010

Financial Information System for California



# Agenda and Outline

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# Why FI\$Cal?

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- The state needs the ability to quickly and efficiently respond to financial, regulatory and business changes.
- However, the state's current financial management system is a collection of disparate systems that:
  - Are not integrated
  - Lack functionality
  - Use aging and outdated technologies
  - Do not have a standard set of financial business processes across departments

# Why Now?

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- The time is now more than ever for this project given aging legacy systems and employee retirements.
- If we delay it will happen anyway, cost a lot more, and will not realize the expected benefits.
- The Project is widely supported and has assembled a strong team and an approach based on best practices and reduced risk.

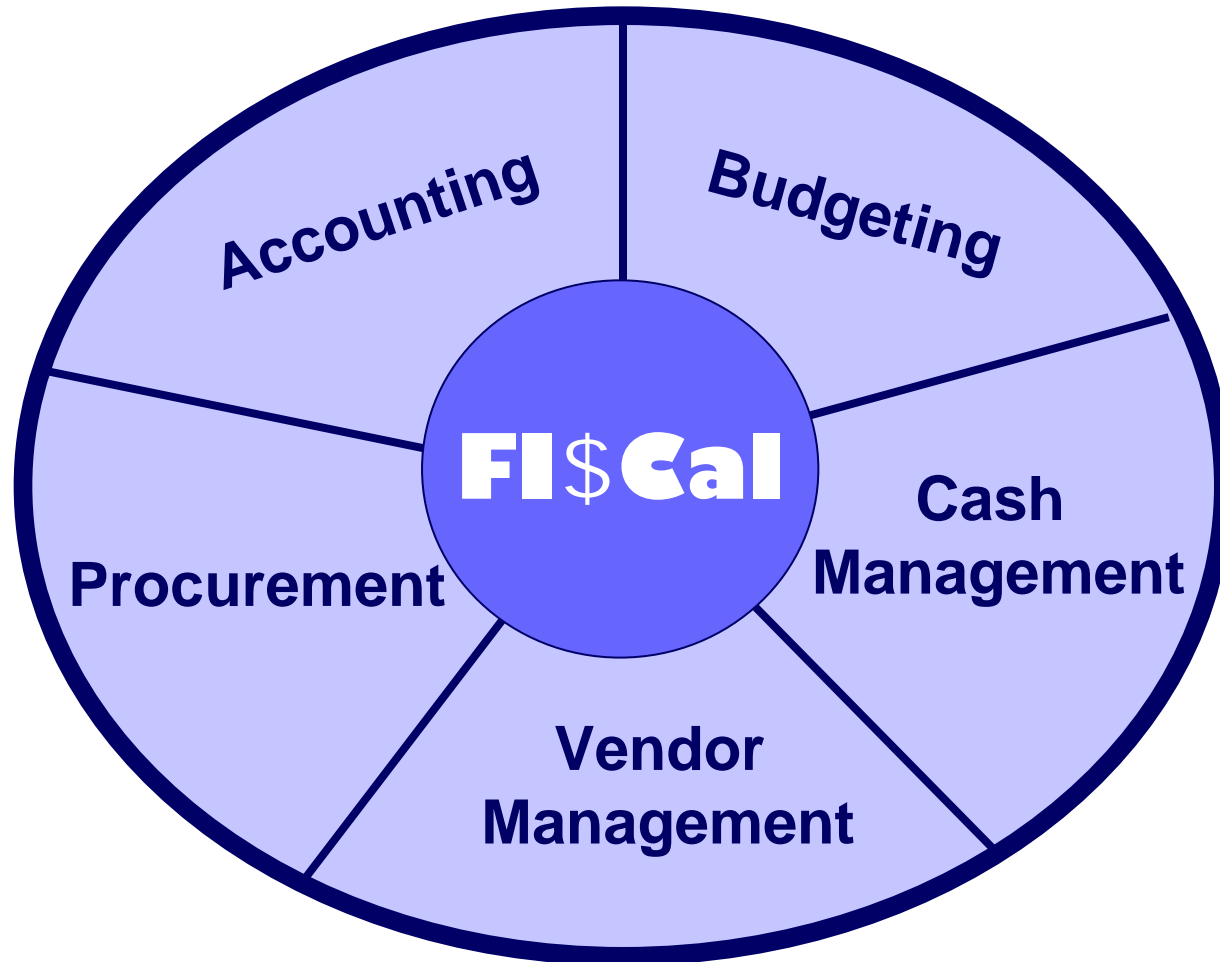
# Mission and Goals

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- A single integrated financial management system.
- Re-engineering the state's business processes.
- Performing state financial management activities at a lower cost and with higher accuracy and performance.
- Business process re-engineering and change management will be the most difficult project components.

# FI\$Cal ERP Scope

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# Critical Success Factors

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- Active and visible sponsorship
- Successfully manage the business and the people side of FI\$Cal
  - Disciplined Project Management
  - Effective Change Management
- The state embraces opportunities to **reengineer** its **business processes** across all departments to reflect best practices in ERP solution

# Project Management Office Value

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The Project Management Office (PMO) provides value to the FI\$Cal Project by:

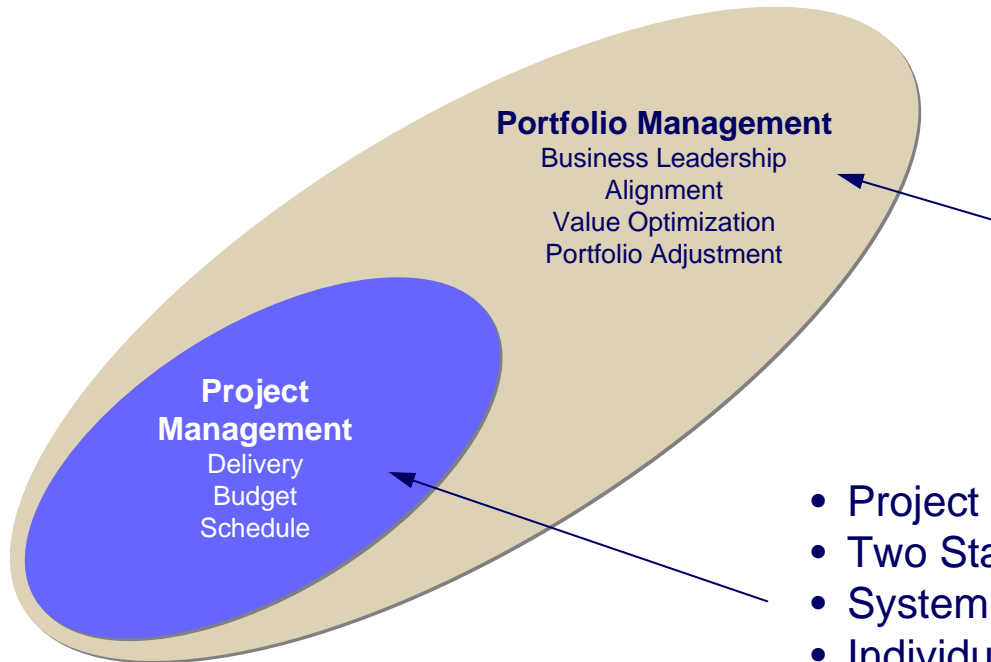


- Establishing and maintaining standards and processes to enable decision making
  - Governance process generates project transparency
  - Project risk analysis, methodology tailoring, portfolio selection, and schedule analysis
- Tracking and reporting on the Project's health
  - Projects manage what they measure
  - Metrics are informative, timely, transparent, and tailored to the audience
- Facilitating project manager development
  - Enhance the state's cadre of project managers
  - Facilitate lessons-learned and other learning opportunities

# FI\$Cal Project Portfolio

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- FI\$Cal covers 73 Departments and 61 Client Organizations, for a total of 134 entities.
- 118,800 employees in covered entities.
- Estimated 21 Percent (23,900) in financial management.
- All departments required to use FI\$Cal pursuant to state statute.



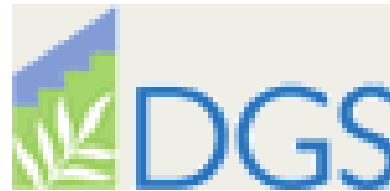
- Statewide strategic planning
- Selection and prioritization of individual departments and agencies
- Coordination with OCIO
- Coordination with existing state ERP solutions

- Project Planning
- Two Stage Procurement
- System Design and Configuration
- Individual Department and Agency Implementations
- Transition to Maintenance and Operation

# A Historic Partnership

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- To view the State of California as a single financial enterprise requires a partnership of the key financial management authorities:
  - Department of Finance
  - State Controller's Office
  - State Treasurer's Office
  - Department of General Services
- The Partnership also includes the collective participation of all departments.



# Project Approach

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- Engage control agencies and departments from the beginning to gain consensus.
- Don't reinvent the wheel.
  - Use best practices, Leverage lessons learned
  - Employ an experienced team
- Phased approach to reduce risk.
  - Phase-in ERP modules, start with Core Accounting
  - Roll out to departments in waves
- The first departments will begin receiving benefits from FI\$Cal during the 2012/13.

## 2009 Accomplishments

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- ✓ Completed ERP Expert Project Review. All reports posted on FI\$Cal website [www.fiscal.ca.gov](http://www.fiscal.ca.gov)
- ✓ FI\$Cal Project Objectives and Scope validated and documented
- ✓ Revised Project Approach and adopted multi-stage procurement strategy
- ✓ Project Roadmap deliverable completed
- ✓ A Completed Special Project Report, Approved by OCIO
- ✓ Hired Project Director, Deputy Directors for Business Team, Change Management, and PMO
- ✓ Approved Strategy for Wave 1 Departments
- ✓ Released RFI on FI\$Cal requirements
- ✓ Conducted Vendor Outreach Forum

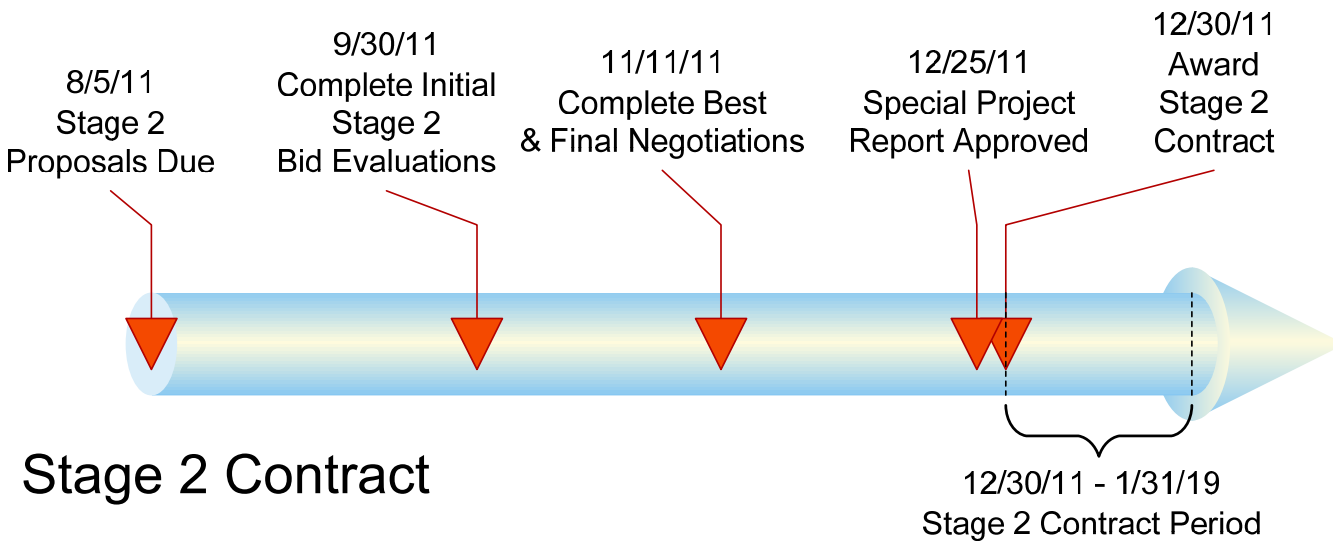
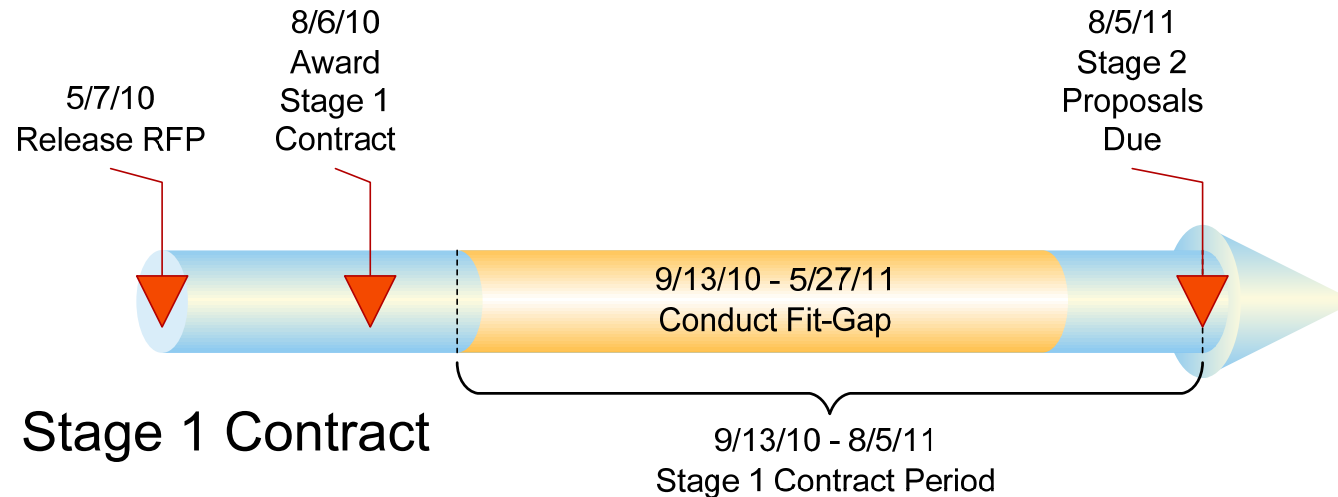
# Procurement Strategy

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## Two-Stage Procurement:

- Stage 1: Awards contracts to three fit-gap bidders to participate in the fit-gap phase.
- Stage 2: Awards a single contract to one of the three fit-gap contractors to implement the FI\$Cal system.
- Publish a single RFP with content for both phases.

# Project Timeline Based on Special Project Report #3



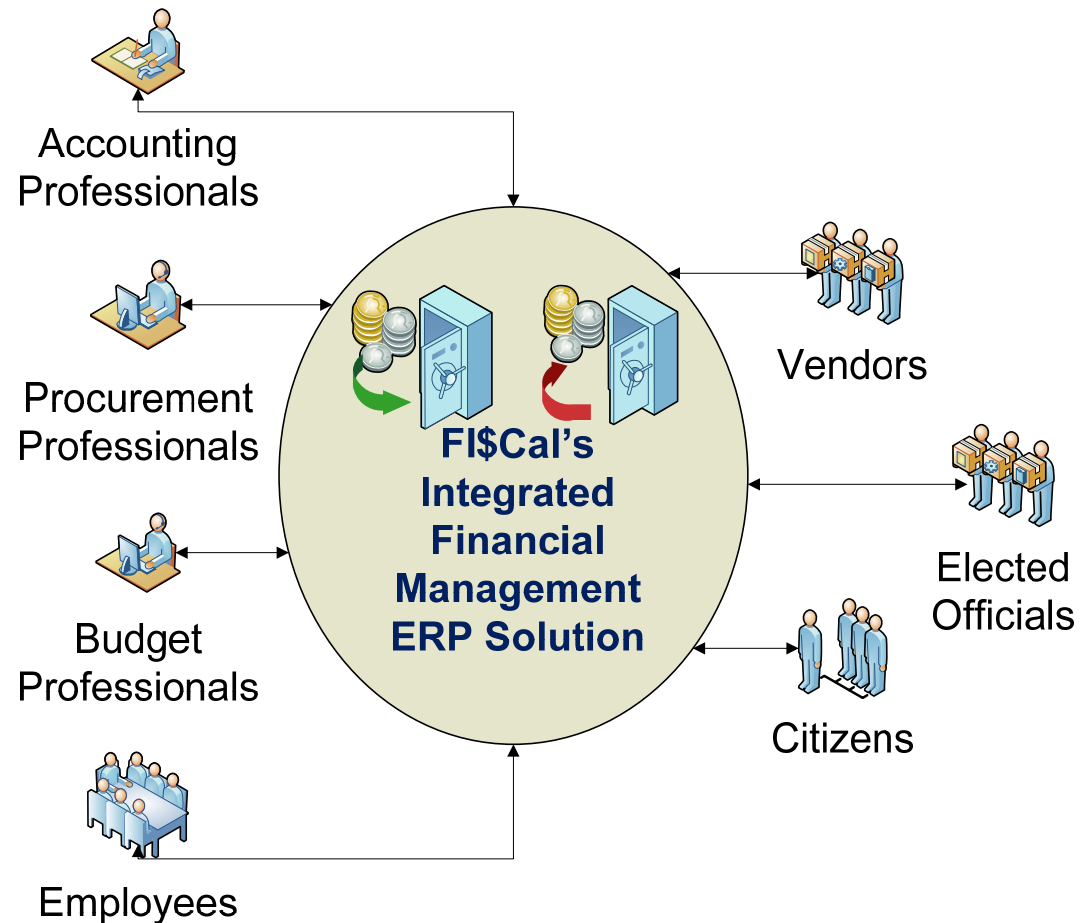
# Major Project Activities

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Project Activity	Project Purpose
Chart of Accounts	Accounting Structure Foundation for ERP
Master Vendor File	Integrates core enterprise business process
As-Is Business Processes and Legacy Systems Documentation	Critical for SI Vendors to Understand Current Environment

# Information Technology Underlies FI\$Cal Vision

- Information in a single system
- Statewide and department functions connect in a single system.
- Work electronically flows between departments



# Information Technology Vision

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- The FI\$Cal Project is related to the State's Enterprise Architecture through three (3) areas: structure, reuse and alignment.
  - Structure: The Project will incorporate the State of California Enterprise Architecture (SCEA) as a basis for its architecture but the FI\$Cal architecture will be extended and specialized to meet the needs of the business stakeholders and core mission.
  - Reuse: The Project will incorporate reuse of services offered by the state. For example, it is currently planned for the equipment of the proposed solution to be housed at the state data center.
  - Alignment: The Project will align with standards, strategies and mandates of the OCIO.

# Information Technology Fiscal Issues

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- FI\$Cal can address IT's need for better financial information.
- Improved IT cost and activity data will:
  - Enable benchmarking and smarter spending
  - Connect IT expenditures with program value and outcomes
  - Promote transparency
- IT budgeting is bureaucratic necessity, but other approaches could make this process more valuable (zero-based or performance-based Budgeting).

## **“FI\$Cal” Also Stands for...**

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***F*** - The Future

***I*** - Infrastructure

***\$*** - State Employees

***C*** - Collaboration

***A*** - Amazing

***L*** - Leadership

# Questions?

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